

**Attorney General's
First Set of Information Requests**

**THE BERKSHIRE GAS COMPANY
D.T.E. 04-47**

Witness: Karen L. Zink
Date Filed: August 30, 2004

Question

AG-1-54: Provide copies of all documentation of all BP transactions under the 2002 Optimization Agreement as directed by the Department in DTE 02-19 (Order, p. 19).

Response: See response to AG-1-4 and AG-1-31 for a summary of savings achieved pursuant to the 2002 Optimization Agreements. These reports satisfied the requirements of the Department's decision in D.T.E. 02-19. See also responses to AG-1-5(b) and AG-1-70 for a detailed summary of transactions by LDC for the 2002-2003 and 2003-2004 terms of the 2002 Optimization Agreement. Additionally, please refer to the response to AG-1-74 which provides monthly summary reports from BP pursuant to the 2002 Optimization Agreement. The deal lists for the 2002-2003 and 2003-2004 terms of the 2002 Optimization Agreement shall be provided in a supplemental response.

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**THE BERKSHIRE GAS COMPANY
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Witness: Karen L. Zink
Date Filed: August 30, 2004

Question

AG-1-59: Please provide in complete detail, for each category, the peak and off-peak amount of revenue subject to margin sharing for the past 5 years. Include the breakdown of the amount split between customers and the Company and the dates that the customers received their allocation. Provide all supporting assumptions, calculations, and work papers.

Response: See Attachment AG-1-59 which summarizes the peak and off-peak amount of revenue subject to margin sharing for the past 5 years. These margins are returned and reconciled through the Company's regular cost of gas adjustment ("CGA") filings.

The Berkshire Gas Company Summary of Off-Peak Margin Sharing Accounts					
Time Period	Int Transport	Int Sales	Capacity Release	Off-System Sales	Total Margin Sharing
May 1998 - Oct. 1998	\$96,661	\$107,783	\$38,987	\$0	\$243,432
May 1999 - Oct. 1999	104,724	151,013	57,218	0	\$312,955
May 1999 - Oct. 1999	\$104,724	\$151,013	\$57,218	\$0	\$312,955
May 2000 - Oct. 2000	77,484	23,538	400,002	0	\$501,024
May 2000 - Oct. 2000	\$77,484	\$23,538	\$400,002	\$0	\$501,024
May 2001 - Oct. 2001	111,190	166,501	0	0	\$277,691
May 2001 - Oct. 2001	\$111,190	\$166,501	\$0	\$0	\$277,691
May 2002 - Oct. 2002	126,553	166,501	0	0	\$293,054
May 2002 - Oct. 2002	\$126,553	\$166,501	\$0	\$0	\$293,054
May 2003 - Oct. 2003	82,006	23,138	0	0	\$105,144

The Berkshire Gas Company Summary of Peak Margin Sharing Accounts					
Time Period	Int Transport	Int Sales	Capacity Release	Off-System Sales	Total Margin Sharing
Nov. 1998 - April 1999	\$92,896	\$108,238	\$38,986	\$51,205	\$291,336
Nov. 1999 - April 2000	98,434	217,413	400,002	0	\$715,649
Nov. 1999 - April 2000	\$98,434	\$217,413	\$400,002	\$0	\$715,649
Nov. 2000 - April 2001	56,311	36,170	225,000	0	\$319,480
Nov. 2000 - April 2001	\$56,311	\$36,170	\$225,000	\$0	\$319,480
Nov. 2001 - April 2002	105,358	82,843	0	0	\$188,202
Nov. 2001 - April 2002	\$105,358	\$82,843	\$0	\$0	\$188,202
Nov. 2002 - April 2003	88,622	82,843	0	0	\$171,466
Nov. 2002 - April 2003	\$88,622	\$82,843	\$0	\$0	\$171,466
Nov. 2003 - April 2004	59,300	34,828	0	0	\$94,128

The Berkshire Gas Company Summary of Total Margin Sharing Accounts					
Time Period	Int Transport	Int Sales	Capacity Release	Off-System Sales	Total Margin Sharing
May 1998 - April 1999	\$199,558	\$216,021	\$77,983	\$51,205	\$534,767
May 1999 - April 2000	203,158	368,426	457,220	0	\$1,028,804
Amount in Excess	\$13,900	\$182,405	\$378,237	\$0	\$545,242
25% Retention	\$3,400	\$38,101	\$94,809	\$0	\$138,311
May 1999 - April 2000	\$203,158	\$368,426	\$457,220	\$0	\$1,028,804
May 2000 - April 2001	133,795	\$1,708	625,002	0	\$820,505
Amount in Excess	\$0	\$0	\$187,782	\$0	\$187,782
25% Retention	\$0	\$0	\$46,945	\$0	\$46,945
May 2000 - April 2001	\$133,795	\$61,708	\$625,002	\$0	\$820,505
May 2001 - April 2002	216,546	249,344	0	0	\$465,893
Amount in Excess	\$82,753	\$187,637	\$0	\$0	\$270,390
25% Retention	\$20,688	\$46,909	\$0	\$0	\$67,598
May 2001 - April 2002	\$216,546	\$249,344	\$0	\$0	\$465,893
May 2002 - April 2003	215,175	249,344	0	0	\$464,520
Amount in Excess	\$0	\$0	\$0	\$0	\$0
25% Retention	\$0	\$0	\$0	\$0	\$0
May 2002 - April 2003	\$215,175	\$249,344	\$0	\$0	\$464,520
May 2003 - April 2004	141,306	57,967	0	0	\$199,273
Amount in Excess	\$0	\$0	\$0	\$0	\$0
25% Retention	\$0	\$0	\$0	\$0	\$0
5 Year Total Returned	\$885,895	\$901,778	\$945,488	\$0	\$2,733,161
5 Year Total Retained	\$24,088	\$85,010	\$138,785	\$0	\$246,884

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**THE BERKSHIRE GAS COMPANY
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Question

AG-1-68: Please provide the monthly cash flow reconciliation reports and the two selected monthly report analyses for the 2002-03 term referenced in the Company's June 17, 2003 and August 5, 2004 optimization performance reports.

Response: Please refer to response to AG-1-5(b) for the monthly cash flow reconciliation report for the 2003-2004 term of the 2002 Optimization Agreement. Please refer to response to AG-1-70 for the monthly cash flow reconciliation report for the 2002-2003 term of the 2002 Optimization Agreement. Finally, Attachment AG-1-68(A) is a summary of the monthly report analyses referenced in the Company's June 17, 2003 and August 5, 2004 optimization performance reports. The detail supporting this analysis will be provided with the complete credit report. Please refer to the response to Information Request AG-1-33.

****ATTACHMENT IS CONFIDENTIAL AND PROPRIETARY****

****PROTECTIVE TREATMENT****

**Attorney General's
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**THE BERKSHIRE GAS COMPANY
D.T.E. 04-47**

Witness: Karen L. Zink
Date Filed: August 30, 2004

Question

AG-1-69: Please provide a workable spreadsheet that reflects BP's actual optimization payments to each LDC based on participating share, as referenced in the Company's June 17, 2003 and August 5, 2004 optimization performance reports.

Response: Please refer to the attachment to Information Request AG-1-74, Schedule E, for the 2002-2003 and 2003-2004 periods which provides the payments to each LDC based on participating share.

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Question

AG-1-70: Please provide a workable spreadsheet that reflects the LDCs "true-up" reconciliations based on verified allocations for the 2002-03 term, as referenced in the Company's June 17, 2003 optimization performance report.

Response: Please see attachment AG-1-70.

****ATTACHMENT IS CONFIDENTIAL AND PROPRIETARY**
PROTECTIVE TREATMENT**

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**THE BERKSHIRE GAS COMPANY
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Witness: Karen L. Zink
Date Filed: August 30, 2004

Question

AG-1-74: Please provide copies of the monthly Energy East Alliance Schedules 16(a) - (f) reports for the 2002-03 and 2003-04 terms of the 2002 Optimization Agreement.

Response: Please see attached Schedules 16(a) - (f) reports for the 2002-03 and 2003-04 terms of the 2002 Optimization Agreement.

****ATTACHMENT IS CONFIDENTIAL AND PROPRIETARY****

****PROTECTIVE TREATMENT****

**Attorney General's
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**THE BERKSHIRE GAS COMPANY
D.T.E. 04-47**

Witness: Karen L. Zink
Date Filed: August 30, 2004

Question

AG-1-75: Please provide copies of the monthly Energy East Alliance Schedule 16b "Sources of Value Summary" reports for the 2002-03 and 2003-04 terms of the 2002 Optimization Agreement, Exh. B-11.

Response: Please see the response to Information Request AG-1-74.

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**THE BERKSHIRE GAS COMPANY
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Date Filed: August 30, 2004

Question

AG-1-80: Refer to the August 5, 2004 report filed in compliance with DTE 02-19. Please provide the details of all "charges from affiliates associated with the alliance" discussed on page 2 of the filing letter. Categorized the charges by transaction type, affiliate that incurred the underlying cost, the allocation factors used to allocate the charges, the basis for each allocation and copies of all related inter-company agreements. The charges should be broken down by BP contract year and detailed separately for each quarter (consistent with the way the optimization savings are shown in Attachment A.

Response: The only affiliate charge incurred by Berkshire regarding the alliance is for some daily support from the Connecticut companies for gas supply planning services. However, Connecticut provides support for all gas supply planning services, not just for the BP alliance thus, it is difficult to categorize the charges by transaction type. For a typical 12-month period, the cost from Berkshire to Connecticut will be approximately \$32,000 for gas supply planning services, only a portion of which is directly related to the BP alliance. Attachment AG-1-22(C) outlines the method of allocation for these charges. Importantly, none of these charges are charged to customers through the cost of gas adjustment ("CGA") or through base rates.